

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the NM Legislature. The LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

Current FIRs (in HTML & Adobe PDF formats) are available on the NM Legislative Website (legis.state.nm.us). Adobe PDF versions include all attachments, whereas HTML versions may not. Previously issued FIRs and attachments may be obtained from the LFC in Suite 101 of the State Capitol Building North.

## FISCAL IMPACT REPORT

SPONSOR Campos DATE TYPED 2/24/05 HB \_\_\_\_\_

SHORT TITLE Hubbard Museum of the American West SB 454

ANALYST Hadwiger

### APPROPRIATION (in \$000s)

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY05	FY06	FY05	FY06		
	\$800.0			Recurring	General Fund

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates HB198.

### SOURCES OF INFORMATION

LFC Files

Responses Received From

Department of Cultural Affairs (DCA)

### SUMMARY

#### Synopsis of Bill

Senate Bill 454 creates the Museum of the American West (currently a privately operated museum in Ruidoso Downs, New Mexico) as a division of the Cultural Affairs Department (DCA). The museum includes the buildings, real estate and collections that are being donated to the State of New Mexico by the Hubbard family. SB454 appropriates \$800 thousand from the general fund to DCA to carry out the purposes of the Museum of the American West Act.

#### Significant Issues

Governor Bill Richardson and the DCA recently retracted the offer to operate the Hubbard Museum (or Museum of the American West). There were concerns that, when the original agreement was negotiated, certain artifacts and/or artworks were anticipated to be included in the donation from the Hubbard family. Subsequent to this agreement, these items were deacquired to remain in the private ownership of the Hubbards. DCA and the administration supported SB454 prior to this action but now indicate that the agreement has been terminated.

**FISCAL IMPLICATIONS**

The appropriation of \$800 thousand contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of FY06 shall revert to the general fund. The comments submitted by DCA estimate that the museum would generate an additional \$500 thousand in admissions and other enterprise revenues that are not budgeted in SB454 but would be required to support museum operations. If the Hubbard Museum proposal is to move forward, the sponsor may wish to amend the bill to appropriate these funds in FY06.

**ADMINISTRATIVE IMPLICATIONS**

According to DCA, staff for the Hubbard Museum is estimated to include 26.5 FTE's that represent the bulk of the appropriation. The department will accommodate the additional overall administrative duties.

**DH/yr:lg**